THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) and (b) Reserve Bank of India (RBI) has reported that during the course of regular statutory inspection by National Bank for Agriculture and Rural Development (NABARD) of Nagpur District Central Co-operative Bank (DCCB), certain irregularities in the investment transactions of the bank involving M/s. Home Trade Ltd. and a few other broking firms were found. It was noticed that among others, the bank had failed to comply with RBI guidelines on investments regarding formulation of internal investment policy and internal control system, dealings through brokers, preparation of panel of brokers, obtaining prior approval of RBI for investment in non-SLR securities, violation of co-operative laws regarding lending to companies, trading in Govt. securities in physical form through few broking firms, purchasing of Govt. securities from these brokers who also acted as counterparties, etc. Similar violations of norms were also observed in Wardha DCCB and Osmanabad DCCB. Losses involved in these banks on account of dealings in Government securities amount to Rs. 208.03 crore.

(c) RBI has further reported that the Board of Directors of the Nagpur, Wardha and Osmanabad DCCBs have been superseded and Administrators appointed therein. In addition, Government of Maharashtra has filed a criminal complaint against the Chairman and General Manager of Nagpur DCCB as well as the five investment companies involved. Deposit insurance premium in respect of these three banks has been paid uptodate and thus the depositors interests in these banks are protected fully upto Rs.1 lakh per depositor.

Industrial Slow Down

655. SHRI TARINI KANTA ROY:
SHRI S.K. KHABIR UDDIN AHMED:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware of the fact that industrial slow-down and globalisation are responsible for the rising unemployement in India;

(b) whether Government are also aware that prolonged joblessness has led to frustration and discontentment among the unemployed youth and posed a big problem for the country;

(c) whether Government and the private sector still intend to cut job; and

(d) if so, the reasons and justification thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) to (d) Even though globalisation does have short run effects on some sectors of the economy, but the overall impact should be seen in the opportunities created through expanded markets and the competitive forces unleashed to generate efficiency in domestic production. Globalisation is also expected to induce a more labour-intensive pattern of production, which would help employment growth.

As per the latest round of surveys conducted by the National Sample Survey Organisation, the unemployment rate on Current Daily Status (CDS) basis increased from 6 per cent of the labour force in 1993-94 (50th Round) to 7.32 per cent in 1999-2000 (55th Round). The estimated number of persons employed along with the growth rate of employment per annum is as under:-

Employed persons (million)			*Annual growth rate (%)*	
1983	**1993-94**	**1999-00**	**1983-94**	**1994-2000**
302.75	374.45	397.00	2.04	0.98

Employment in sectors such as trade, construction, financial services, transport, storage and communication has grown faster than the average rate of growth of employment during 1993-94 to 1999-2000, reflecting a structural transformation in the nature of the job market with jobs increasingly being generated in the non-government sector.

Committee to address fiscal problems of States

656. SHRIMATI VANGA GEETHA:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether a high powered Committee has been set up to address